



SBA Procedural Notice

TO: All Employees

CONTROL NO.: 5000-1028

SUBJECT: Process for Lenders to Participate in
GO Loan Pilot

EFFECTIVE: 9/26/2007

This notice is a re-issuance of SBA Procedural Notice 5000-995, entitled "Process for Lenders to Participate in GO Loan Pilot." (Originally issued on September 29, 2006.) SBA is re-issuing this notice because SBA is extending the Gulf Opportunity Pilot Loan Program through September 30, 2008. All references to the expiration date of the pilot shall be deemed to read September 30, 2008.

The text of the original notice follows:

Introduction

In order to address the critical needs of small businesses recovering from the recent natural disasters in the Gulf Coast region, SBA has introduced the Gulf Opportunity Pilot Loan Program (the "GO Loan Pilot"). This Notice sets forth the approval process for 7(a) lenders to participate in the GO Loan Pilot.

Authority to Make Loans Under the GO Loan Pilot

Existing SBAExpress Lenders

Those lender participants currently approved with *SBAExpress* authority are automatically approved to make loans under the GO Loan Pilot. *SBAExpress* lenders are instructed to use the specific SBA forms designated for this pilot and located on the website for SBA lenders at <http://www.sba.gov/library/forms.html>.

Existing PLP Lenders Not Approved for SBAExpress

PLP lenders that do not have *SBAExpress* authority and wish to participate in the GO Loan Pilot will have their requests handled on an expedited basis. These lenders must:

- Have a satisfactory performance history with SBA, including acceptable currency and default rates (This generally requires at least an 85 percent currency rate by dollar on its SBA 7(a) portfolio for the last 3 complete fiscal years plus the elapsed portion of the current fiscal year. Performance data will be compiled as of August 31, 2005 to mitigate irregularities in portfolio activity as a result of Hurricanes Katrina and Rita);
- Be in compliance with applicable SBA statutes, regulations and requirements;
- Not be identified by the Office of Lender Oversight as a high risk lender;
- Be current in filing 1502 reports and in remitting SBA guaranty and servicing fees; and

EXPIRES: 9/1/2008

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SBA Form 1353.2 (12-93) MS Word Edition; previous editions obsolete
Must be accompanied by SBA Form 58

- For lenders regulated by one of the federal/state oversight authorities, be in good standing with their primary regulator and not currently be subject to any enforcement action or a party to a regulatory agreement that is unacceptable to SBA.

PLP lenders should send a written request to the Director, Sacramento Loan Processing Center (the "Center"), 501 I Street, Suite 12-100, Sacramento, CA 95814-2322 or by fax to (916) 930-2406.

Please be sure to mention "GO Loan Pilot" program in the written request to assure expedited processing of your submission. PLP lenders requesting expedited processing will be expected to make a substantial commitment to lending in the eligible areas. Upon approval, these lenders will also be authorized to make *SBAExpress* loans prior to the pilot program expiration date of September 30, 2006.

Lenders Not Operating with PLP or SBAExpress Authority

Lenders participating in the 7(a) loan program and not operating with PLP or *SBAExpress* authority that wish to participate in the GO Loan Pilot must meet the Agency's program requirements as set forth in the *SBAExpress* Program Guide for existing SBA lenders. (See pages 4-6 of the *SBAExpress* Program Guide.). Once again, portfolio performance data will be compiled as of August 31, 2005 to mitigate irregularities in portfolio activity as a result of Hurricanes Katrina and Rita.

Lenders should send a written request to the Director, Sacramento Loan Processing Center at the address provided above.

SBA Processing

Upon receipt of a request to participate in the GO Loan Pilot, the Center will screen the request and notify the Lender if additional information is needed to render a recommendation.

The Center will analyze the Lender's submission along with its record as an SBA lender participant, including its loan volume and its portfolio performance measures. Requests that clearly do not meet the program's eligibility standards and are unlikely to have their deficiencies remedied in a reasonable period of time are to be screened out or declined with the deficiencies communicated to the Lenders.

The Center will then forward its analysis and recommendation to SBA Headquarters for review. The Office of Financial Assistance will confirm the lender's eligibility with the Office of Lender Oversight and make a final determination. The Associate Administrator for Financial Assistance's final determination will be communicated back to the Center and, if approved, the Center will issue a Supplemental Loan Guarantee Agreement for Non-Eligibility Delegated *SBAExpress* Lenders for execution by the lender. Along with the executed Supplement Loan Guarantee Agreement, the lender will be asked to submit a separate certification that it is in good standing with its primary regulator, and that it is not currently subject to any enforcement action or a party to a regulatory agreement that is unacceptable to SBA.

Lender questions concerning this notice should be directed to Sally Schimmel in the Center by e-mail to sally.schimmel@sba.gov.

Michael W. Hager
Associate Administrator
Office of Capital Access